

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6593

BILL NUMBER: HB 1835

DATE PREPARED: Dec 11, 1998

BILL AMENDED:

SUBJECT: County motor fuel tax.

FISCAL ANALYST: James Sperlik

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FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that a county motor fuel tax may be imposed by counties that do not have a county motor vehicle excise surtax and county wheel tax in effect. It allows a county that adopts the tax to collect \$0.01 or \$0.02 per gallon of gasoline or special fuel. The bill requires that a county that imposes the tax must follow the procedures for adoption under the County Option Income Tax. It prohibits the adoption of the County Motor Vehicle Excise Surtax and County Wheel Tax if the County Motor Fuel Tax is in effect. The bill establishes a State General Fund Account and County and City and Town Motor Fuel Tax Funds for a county in which the county motor fuel tax is imposed. It requires revenue to be collected by the state and distributed to the county and the cities and towns in the county. The bill provides that a portion of the revenue is distributed in the same manner as funds from the Local Road and Street Account. It allows the issuance of bonds payable from county and city and town motor fuel tax funds.

Effective Date: July 1, 1999.

Explanation of State Expenditures: There will be administrative expenditures for the Department of Revenue to comply with the provisions of this bill. The extent of these expenditures is not yet known. This part of the fiscal note will be updated upon receipt of the necessary data from the Department of Revenue. The fund affected is the Motor Carrier Regulation Fund.

Explanation of State Revenues:

Explanation of Local Expenditures: There may be administrative expenditures for those counties establishing a county motor fuel tax and issuing bonds.

Explanation of Local Revenues: The specific impact will depend upon the number of counties establishing a county motor fuel tax and the rate established. The Office of Fiscal and Management Analysis has a printout which shows the impact of a \$0.01 per gallon rate for each individual county. In 1997, there were 19 counties that had imposed the excise surtax and wheel tax, leaving 73 counties that could potentially

impose the newly created county motor fuel tax. Current law allows those counties which have imposed the excise surtax and wheel tax to rescind those taxes. These counties then could impose the newly created tax if they follow prescribed procedures.

State Agencies Affected: Department of Revenue.

Local Agencies Affected: Counties that establish the county motor fuel tax.

Information Sources: Larry DeBoer, population and sales census data; vehicle registration data.